

# PURCHASING

## DESCRIPTION

The Purchasing Department provides procurement services, information, and guidance for County and School departments and individual schools. The staff administers competitive bidding for goods, services, and construction, and the competitive negotiation procedure for professional and consultant services. The Department also conducts auctions for the sale of surplus goods and

administers a formal cost avoidance program. In coordination with the County and School departments, staff develops specifications, administers contracts, and strives to ensure that all procurement activity is accomplished in an ethical, legal, efficient, effective, and competitive manner.

## FINANCIAL ACTIVITY

	<b>FY2000 Actual</b>	<b>FY2001 Adopted</b>	<b>FY2002 Biennial Planned</b>	<b>FY2002 Adopted</b>	<b>Change FY2001 to FY2002</b>	<b>FY2003 Projected</b>	<b>FY2004 Projected</b>	<b>FY2005 Projected</b>
<b>Personnel</b>	\$768,798	\$799,600	\$823,600	\$835,800	4.5%	\$860,800	\$886,700	\$913,300
<b>Operating</b>	65,847	71,800	76,300	81,900	14.1%	81,900	81,900	81,900
<b>Capital</b>	<u>6,793</u>	<u>4,500</u>	<u>0</u>	<u>0</u>	-100.0%	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	\$841,438	\$875,900	\$899,900	\$917,700	4.8%	\$942,700	\$968,600	\$995,200
<b>Revenue</b>	<u>147,437</u>	<u>149,900</u>	<u>154,400</u>	<u>155,500</u>	3.7%	<u>155,500</u>	<u>155,500</u>	<u>155,500</u>
<b>Net Cost</b>	\$694,001	\$726,000	\$745,500	\$762,200	5.0%	\$787,200	\$813,100	\$839,700
<b>FT Pos.</b>	14	14	14	14	0	14	14	14

## BUDGET ANALYSIS AND EVALUATION

During FY2002 Purchasing will continue to empower departments by delegating small dollar purchases to them. This allows Purchasing staff more time and resources to devote to the higher dollar and more complex purchases where the potential for significant cost avoidance exists. It also improves the overall delivery of procurement services to the County and Schools.

The Department continues to be involved in regional cooperation with surrounding localities via cooperative bidding for commodities such as diesel fuel, gasoline, library materials, water meters, fleet vehicles, household hazardous waste collection, and wood waste processing. The Department has promoted regional efforts in sponsoring workshops to train minority, women owned, and small business owners in how to do business with local government. The Purchasing staff continues to conduct training for the various County and School customers of

purchasing services. Purchasing's vision is to be able to provide unlimited training, even during the busy months of June - August.

Total Quality Improvement in the Purchasing Department continues to be a top priority. Eleven Purchasing staff members (79%) are TQI advisors, and the entire staff is involved in process management. Inventory of Processes has been redefined, and staff is continuing to flow chart processes. Also, because of the TQI environment, staff continues to identify informal issues and utilize quality improvement techniques to resolve issues. TQI has become part of the Department's culture with staff challenging themselves to look for possible improvements to procedures with the result of improving customer service.

Purchasing staff recently developed departmental Customer Service Standards. The staff has

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developed a vision and mission statement and departmental goals and objectives that support the County strategic goals and objectives. The Department has also developed new workload, effectiveness, and efficiency measures that more accurately measure the services provided to our customers.

A review of the most recent customer satisfaction surveys submitted by both County and School departments indicates a high level of satisfaction with purchasing services. Customers were polled on 15 categories important to the functioning of the Department. A graph of the responses to these categories illustrates a high satisfaction level. The customer satisfaction index for FY00 was 8.6. While the overall response for each category is high, Expediting Late Delivery and Quality of Goods/Services were the lowest scoring categories. However, the Department received a 9.2 rating on courtesy of staff. While a lower customer satisfaction level with processing time is somewhat systemic with any centralized procurement function, Purchasing remains sensitive to the needs of its customers. Many delegation methods and empowerment techniques have been implemented to address this issue. To best serve the special needs of the Department's customers, a part-time secretary has been included as an additional funding request in FY2002 and in future years. The past 15 years have been a time of unprecedented growth and demand for services for the County and Schools. However, no new buying staff positions have been added to the Purchasing Department's budget since 1985.

The Department has submitted several other additional funding requests for FY2002. An Automation Analyst position has been requested to provide technical support to staff and system operations as the County implements its new integrated financial management system. Additional funding has been requested in FY2002 for a scanner to enhance the process of developing Requests for Bids and Proposals, to replace outdated systems hardware and software, and for general operating expenses. None of these requests have been funded for FY2002.

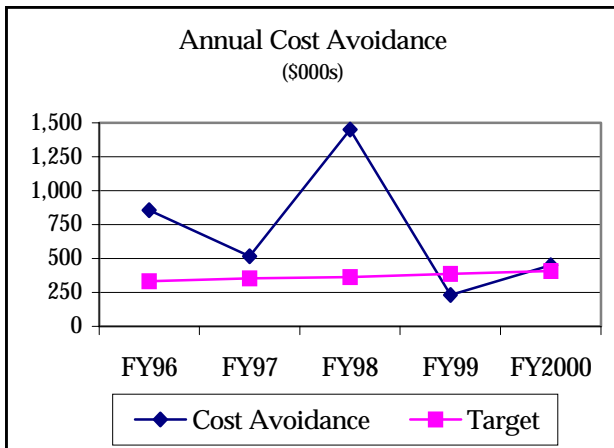
Purchasing staff is committed and actively involved in professional development. This is highlighted by the interest in professional certification in the Department. Nine members hold active certifications that are awarded by the National Institute of Governmental Purchasing and two members hold the CPS (Certified Professional Secretary) rating.

The Purchasing Department was awarded the Outstanding Agency Accreditation Achievement Award by the National Institute of Government Purchasing (NIGP) on October 25, 1999. This award was received for demonstrating excellence in public purchasing. This is the highest form of recognition in governmental purchasing. Chesterfield County's Purchasing Department was the eighth agency in the United States, Canada, Ireland, and England to receive this award and the first locality or state agency in Virginia to receive it. In order to be awarded this accreditation, an agency must comply with performance criteria established by NIGP that encompasses the discipline of governmental purchasing.

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## HOW ARE WE DOING?

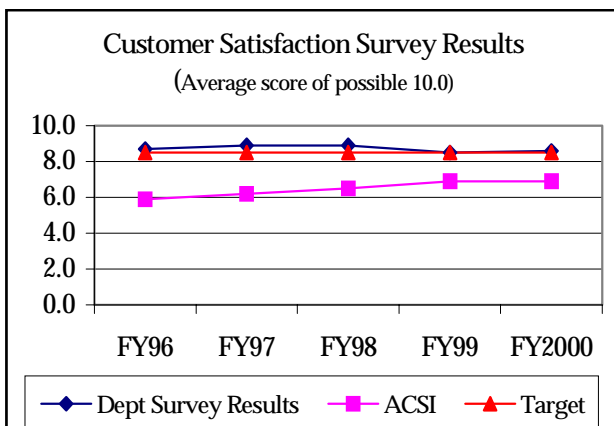
- Goal:** Ensure all purchases are in legal compliance with codes, policies, and procedures. Supports Countywide Strategic Goal Numbers 1 and 6.
- Objective:** Maximize annual cost avoidance through methodology outlined in Cost Avoidance Program
- Measure:** Annual cost avoidance amount compared to 55% of Purchasing's annual budget



### Initiatives

- Conscious development of new supply sources
- Develop new or improved blanket order/requirements contracts
- Anticipate price increases
- Order consolidation
- Competitive negotiations
- Conduct value analyses

- Goal:** Exceed customer expectations. Supports Countywide Strategic Goal numbers 1 and 6.
- Objective:** Maintain a high rating of customer satisfaction
- Measure:** Annual Purchasing Customer Service Survey Results vs. American Customer Satisfaction Index (ACSI)

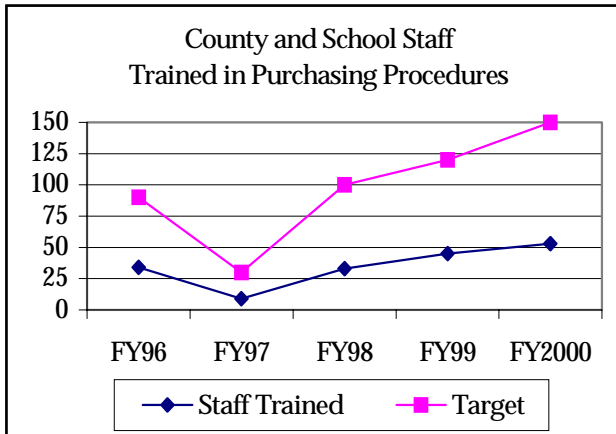


### Initiatives

- Annually issue Survey of Customer Satisfaction to County Departments and Schools
- Use categorical scores to assess areas of strength and weakness in customer service

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- Goal:** Promote positive partnerships with our customers. Supports Countywide Strategic Goal numbers 1, 4, 6, and 7.
- Objective:** Provide periodic Purchasing User Training sessions to enhance professional development and teamwork
- Measure:** Number of County and School employees trained annually



## **Initiatives**

- Periodically distribute literature on course descriptions and schedules
- Develop courses that adequately address purchasing procedures, forms and departmental issues

## **WHERE ARE WE GOING?**

In three years, all School and County departments will continue to be involved in an ongoing continuing Purchasing education process. Facilitation of this will be through group and one-on-one individual departmental and school training.

Continued delegation of small dollar purchases via the procurement card to using departments will hopefully permit Purchasing staff more time to devote to larger dollar purchase areas.

Purchasing will strive to meet the needs of its customers and to continue working toward improving the quality and efficiency of service delivery through quality improvement techniques.

Over the next few years, the Department anticipates the need for additional funding to ensure that its systems technology is adequately updated, maintained, and supported.

Future year projections include minimal increases in personnel costs due to anticipated benefit increases.